

## Message Text

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PAGE 01 STATE 170368  
ORIGIN TRSE-00

INFO OCT-01 EA-07 DODE-00 EB-07 ABF-01 OPR-02 FS-01  
ISO-00 OMB-01 L-03 CIAE-00 INR-07 NSAE-00 PM-05  
NSC-05 SP-02 SS-15 H-01 EPG-02 /060 R

DRAFTED BY TREAS:FSPRINGBORN:KAM  
APPROVED BY EA/J:NPLATT  
DOD/ISA:LTC DLOHMANN  
DOD/OASC(C):HKRAFT  
TREAS/U/S:AMSOLOMON  
TREAS/A/S:DMOSSO  
EB/IFD/OMA:TFORBORD  
A/BF/FMS:EGULLI  
O/OPR:LDUPRE  
A/BF/FC:JMANION

-----023450 212105Z /75

P 211707Z JUL 77  
FM SECSTATE WASHDC  
TO COMUS/YOKOTA JAPAN PRIORITY  
INFO CINCPAC PRIORITY

LIMITED OFFICIAL USE STATE 170368

E.O. 11652: N/A

TAGS: MARR, EFIN, ABUD, JA

SUBJECT: YEN ACQUISITION

REF: TOKYO 9832 AND TOKYO 9173

JOINT STATE-TREASURY-DEFENSE MESSAGE

1. EMBASSY/USFJ AUTHORIZED TO ADVISE APPROPRIATE JAPANESE  
AUTHORITIES, THROUGH FINANCE SUBCOMMITTEE OF JOINT COMMIT-  
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TEE OR OTHERWISE, THAT YEN REQUIREMENTS OF USFJ AND OTHER  
US AGENCIES WILL BE MET THROUGH MARKET PURCHASES AS SOON AS  
ACCEPTABLE ARRANGEMENTS CAN BE COMPLETED, AS OUTLINED BELOW.  
ALTERNATIVELY, WE WOULD BE PREPARED TO CONTINUE PRESENT  
ARRANGEMENT WITH BANK OF JAPAN, PROVIDED BOJ IN ADDI-  
TION AGREES TO RESELL DOLLARS IN THE MARKET AS IS DONE BY  
GERMAN BUNDESBANK UNDER OUR COMPARABLE ARRANGEMENT FOR PUR-

CHASE OF DM.

2. AS AN INTERIM ARRANGEMENT, THROUGH CONSULTATIONS HERE WITH SEVERAL HEAD OFFICES WE WILL SELECT US BANK OR BANKS IN JAPAN OFFERING MOST ACCEPTABLE EFFECTIVE RATE FOR YEN PURCHASES BASED ON TOKYO 10:00 AM FIXING RATE. EMBASSY/USFJ WILL BE ASKED TO ASSIST IN CONSULTATIONS AND IMPLEMENTATION. FEE ARRANGEMENT REPORTED IN TOKYO 9173 NOT, REPEAT NOT, ACCEPTABLE. OUR SELECTION PROCESS WILL NOT, REPEAT NOT, BE LIMITED TO BANKS PRESENTLY OPERATING MBFS. UNLESS BEST OFFER UNDER THIS INTERIM SELECTION PROCESS IS ALSO UNACCEPTABLE, BRIEF TRIAL PERIOD WILL BE INSTITUTED.

3. DURING INTERIM ARRANGEMENT PERIOD, FEASIBILITY AND ACCEPTABILITY OF PURCHASING YEN THROUGH REGULAR BIDDING IN MAJOR WORLD FOREIGN EXCHANGE MARKETS WILL BE INVESTIGATED. THIS WILL, IN ANY CASE, BE NECESSARY IF NO ACCEPTABLE INTERIM ARRANGEMENT CAN BE MADE. AS DESCRIBED IN MATERIAL POUCHED TO MCCAMEY, DEPARTMENT OF STATE REGIONAL FINANCE AND DATA PROCESSING CENTERS IN PARIS AND BANGKOK NOW PURCHASE MOST USG REQUIREMENTS FOR MAJOR EUROPEAN AS WELL AS OTHER CURRENCIES (EXCEPT DM) IN WORLD MARKETS WITH FULL KNOWLEDGE AND CONCURRENCE OF MONETARY AUTHORITIES. ADDITION OF YEN TO LARGE LIST OF OTHER MAJOR CURRENCIES PURCHASED BY THESE ORGANIZATIONS WOULD BE SIMPLEST, MOST EFFICIENT, AND PROBABLY MOST ECONOMICAL MEANS TO MEET YEN RELIMITED OFFICIAL USE

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QUIREMENTS AND WOULD AVOID TREATING THE YEN AS A SPECIAL CASE. BECAUSE OF ITS LOCATION, WE ASSUME THE BANGKOK CENTER WOULD BE SELECTED FOR THE PURCHASE OF YEN. BECAUSE OF THE NECESSITY OF SEEKING MOST FAVORABLE RATE, BIDDING IN MARKET COULD NOT, REPEAT NOT, BE LIMITED TO JAPANESE MARKET.

4. WE BELIEVE OUR INTEREST IN OBTAINING YEN IN MOST EFFICIENT AND ECONOMICAL MANNER IS FULLY CONSISTENT WITH JAPANESE DESIRE THAT US PURCHASES INTERFERE AS LITTLE AS POSSIBLE WITH ORDERLY MARKETS FOR YEN. WE HAVE NO OTHER OBJECTIVE. VANCE

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PAGE 01 STATE 170368  
ORIGIN EA-03

INFO OCT-01 ISO-00 /004 R

66011  
DRAFTED BY EA/J:EMFEATHERSTONE:KAM  
APPROVED BY EA/J:NPLATT  
-----074575 260239Z /64  
P 260152Z JUL 77  
FM SECSTATE WASHDC  
TO AMEMBASSY TOKYO PRIORITY

LIMITED OFFICIAL USE STATE 170368

FOL RPT STATE 170368 SENT ACTION COMUS YOKOTA JAPAN & INFO CINCPAC  
HI. DTD 21 JUL 77

QUOTE: LIMITED OFFICIAL USE STATE 170368

E.O. 11652: N/A

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ACQUISITION, YEN (CURRENCY)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 21-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE170368  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** FSPRINGBORN:KAM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** a6d4ea65-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 TOKYO 9832, 77 TOKYO 9173  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:** ANOMALY  
**Review Date:** 26-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1787964  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** YEN ACQUISITION  
**TAGS:** MARR, EFIN, ABUD, US, JA  
**To:** COMUS/YOKOTA JAPAN  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a6d4ea65-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009